

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 3579

IN THE MATTER OF:

Served October 19, 1990

Application of SAKKAF TOUR)
SERVICES, INC., for a Certificate)
of Public Convenience and Necessity)
-- Charter Operations)

Case No. AP-90-26

By application filed June 28, 1990, SAKKAF Tour Services, Inc. (SAKKAF or applicant), seeks a certificate of public convenience and necessity to transport passengers, together with mail, express, and baggage in the same vehicles as passengers, in charter operations between points in the Metropolitan District, except transportation solely within the Commonwealth of Virginia.

A public hearing was held on August 9, 1990, pursuant to Order No. 3524, served July 6, 1990, and incorporated herein by reference. One company witness and three public witnesses testified on applicant's behalf. The application was unopposed.

SUMMARY OF EVIDENCE

Mr. Hussein Moen, president of SAKKAF, testified at hearing. SAKKAF is a family-owned corporation. Mr. Moen's brother, Hamed Moen, and son, Abdul Moen, are co-owners. SAKKAF currently conducts transportation services for specific accounts pursuant to a grant of temporary authority issued by this Commission. While the corporation has three owners, day-to-day operations are the responsibility of the witness. Mr. Hussein Moen performs record keeping functions in addition to acting as SAKKAF's primary driver/lecturer. He is fluent in English, Arabic, and his native Ethiopian language, Amharic. His brother, who may be called upon to assist in sightseeing duties, is fluent in the same languages in addition to French. The witness has prior experience as a driver for a large sightseeing company in Ethiopia.

Applicant would provide the proposed service using one 25-passenger vehicle equipped with a public address system, AM/FM radio and luggage compartment. Daily maintenance is done by applicant. Major repairs would be handled by the vehicle's manufacturer. Additional vehicles and drivers will be acquired as the business expands. The proposed service is intended for the general public. However, applicant hopes to fill a specific need for tourists coming to the United States from the Middle East.

SAKKAF proposes to charge \$36 an hour (March - October), and \$32 an hour (November - February), with a four-hour minimum. A rate of \$150 for transfers between any two points in the Metropolitan District would be offered; \$30 an hour or portion thereof would be charged if the chartering party delays departure time for more than 30 minutes from the scheduled departure time.

SAKKAF's balance sheet as of June 1, 1990, shows the following assets: \$1,750 cash; \$56,000 motorcoach; \$3,250 office fixtures, furniture, and equipment. No depreciation is shown. Liabilities consist of stockholder loans of \$56,000. Stockholders' equity of \$5,000 is also listed. Applicant expects to generate \$72,995 in revenue from the proposed service during its first year of operations. During that same period SAKKAF expects to incur operating expenses of \$60,360. These projections, however, include \$16,675 of expected income from interstate service under authority yet to be obtained from the Interstate Commerce Commission. This Commission will not issue authority for WMATC service based upon speculative income from interstate operations. It is apparent, however, that when projected operating expenses are reduced in the same proportion as projected income, i.e., WMATC service = 77.16%; proposed interstate service = 22.84%, a projected profit from WMATC service of \$9,746 is shown.

Applicant, through Mr. Moen, will comply with the the Compact and the Commission's rules and regulations including its safety regulations.

Mr. Abdumahi Omer testified in support of the application. Mr. Omer is a driver/manager for Atlantic Limousine Service (Atlantic), which receives requests for service in vehicles with seating capacities larger than that of a limousine. To accommodate client requests Atlantic seeks transportation services from carriers who offer larger vehicles. Atlantic requires a 25-passenger vehicle two times a week during peak season (March - August) and about once a week during off-peak months. Service would be required between points throughout the Metropolitan District. Mr. Omer has had difficulty securing mini-bus service and says that there are not enough 25-passenger vehicles available to meet current need.

Mr. Jamal A. Numen, president of Arabia Felix Travel & Tourism, Inc., testified in support of the application. Arabia Felix Travel & Tourism, Inc., specializes in making travel arrangements for visitors to the United States from the Middle East. The company requires transportation once every two weeks during its busy season and once every three to five weeks off-peak. Service would be required throughout the Metropolitan District. Mr. Numen is looking for a company that is familiar with Middle Eastern culture and customs.

The final witness to testify in support of the application was Mr. Byung Soo Park, president of First Washington Tours, Inc. First Washington Tours, Inc., specializes in arranging tours for visitors from Korea to the United States. Travel arrangements are made for groups 15-20 in size. The company needs transportation in 25-passenger vehicles. Korean schools have summer and winter vacations. As a

result, travel abroad increases significantly during the months of January, February, July, August, and September. Multi-day transportation is required between points in the Metropolitan District. Mr. Park has had difficulty acquiring vehicles when needed.

DISCUSSION AND CONCLUSIONS

This application is governed by Title II, Article XII, Section 4(b) of the Compact which requires that an applicant prove it is fit, willing, and able to perform properly the transportation for which it seeks a certificate of public convenience and necessity and to conform to the provisions of the Compact and the Commission's rules, regulations, and requirements thereunder. Section 4(b) further requires that the applicant prove the proposed service is required by the public convenience and necessity.

Based on review of the entire record in this case, the Commission finds applicant to be capable of providing the proposed service and willing to conform to applicable rules, regulations and requirements imposed under the Compact. Applicant's president is familiar with the Compact and the Commission's rules and regulations and the Commission finds that SAKKAF is willing and able to comply with them.

SAKKAF's president is an experienced multilingual driver/lecturer. Applicant currently operates a 25-passenger vehicle pursuant WMATC temporary authority. The vehicle undergoes a daily maintenance routine; major repairs are handled by the manufacturer. A review of applicant's financial data in addition to its ongoing operations, indicates adequate financing to implement the proposed operations.

The Commission further finds that applicant has satisfied its burden of proving that the public convenience and necessity require the proposed service based on the criteria enunciated in Pan-American Bus Lines Operation (1 MCC 190, 203 [1936]) et seq. The testimony of applicant's public witnesses taken as a whole demonstrates a need for transportation of the type proposed. While applicant's service is not restricted to the transport of Middle Eastern visitors, it does offer language and cultural advantages that meet a need in the current market that is not adequately filled. The public need for the service will not be served as well by existing carriers as by applicant, and the proposed operations will not materially affect the operations of existing carriers. Although transportation of passengers' baggage is an ordinary adjunct of charter operations such as proposed in this application, applicant has made no showing of any need to transport mail and express. To that extent the application will be denied.

THEREFORE, IT IS ORDERED:

1. That SAKKAF Tour Services, Inc., is hereby conditionally granted, contingent upon timely compliance with the terms of this order, authority to transport passengers, together with their baggage,

in charter operations between points in the Metropolitan District, except transportation solely within the Commonwealth of Virginia.

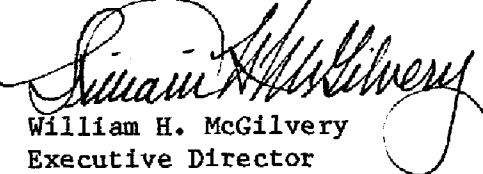
2. That, except to the extent granted herein, the application is denied.

3. That SAKKAF Tour Services, Inc., is hereby directed to file with the Commission within 30 days of the service date of this order: (a) an affidavit of identification of vehicles in accordance with Commission Regulation No. 67 for which purpose WMATC No. 173 is hereby assigned; (b) an equipment list indicating make, year, model, serial number, vehicle number (if any), seating capacity, and license plate number (with jurisdiction) for each vehicle to be used in revenue operations; (c) three copies of its WMATC Tariff No. 1; (d) a certificate of insurance in accordance with Commission Regulation No. 62; and (e) evidence of ownership or a lease, as appropriate, in accordance with Commission Regulation No. 69, for each vehicle to be used in revenue service.

4. That unless SAKKAF Tours Services, Inc., complies with the requirements of the preceding paragraph within 30 days of the service date of this order or such additional time as the Commission may direct or allow, the grant of authority contained herein shall be void, and the application shall stand denied in its entirety effective upon the expiration of the said compliance time.

5. That upon compliance with the conditions set forth in the preceding paragraphs, a certificate of public and convenience and necessity will be issued to SAKKAF Tour Services, Inc., in the form and as worded in the Appendix to this order.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS WORTHY, SCHIFTER AND SHANNON:


William H. McGilvery
Executive Director

NO. 173

SAKKAF TOUR SERVICES, INC.

By Order No. 3579 of the Washington Metropolitan Area Transit Commission issued October 19, 1990;

AFTER DUE INVESTIGATION, it appearing that the above-named carrier is entitled to receive authority from this Commission to engage in the transportation of passengers within the Washington Metropolitan Area Transit District as a carrier, for the reasons and subject to the limitations set forth in Order No. 3579;

THEREFORE, IT IS ORDERED that the said carrier is hereby granted this certificate of public convenience and necessity as evidence of the authority of the holder thereof to engage in transportation as a carrier by motor vehicle; subject, however, to such terms, conditions, and limitations as are now, or may hereafter be, attached to the exercise of the privilege granted to the said carrier.

IT IS FURTHER ORDERED that the transportation service to be performed by the said carrier shall be as specified below:

IRREGULAR ROUTES:

CHARTER OPERATIONS transporting passengers, together with their baggage in the same vehicle as passengers, between points in the Metropolitan District;

RESTRICTED against transportation solely within the Commonwealth of Virginia.

AND IT IS FURTHER ORDERED and made a condition of this certificate that the holder thereof shall render reasonable, continuous, and adequate service to the public in pursuance of the authority granted herein, and that failure to do so shall constitute sufficient grounds for suspension, change, or revocation of the certificate.